

Joint Committee On The Budget

Speech By
Senator John L. McClellan
Chairman, Committee on
Government Operations
In The U. S. Senate

88TH CONGRESS
1ST SESSION

S. 537

IN THE SENATE OF THE UNITED STATES

JANUARY 25 (legislative day, JANUARY 15), 1963

Mr. McCLELLAN (for himself, Mr. ALLOTT, Mr. ANDERSON, Mr. BARTLETT, Mr. BAYH, Mr. BEALL, Mr. BENNETT, Mr. BIBLE, Mr. BOGGS, Mr. BREWSTER, Mr. BURDICK, Mr. BYRD of Virginia, Mr. CANNON, Mr. CARLSON, Mr. CASE, Mr. COOPER, Mr. COTTON, Mr. CURTIS, Mr. DIRKSEN, Mr. DODD, Mr. DOMINICK, Mr. EASTLAND, Mr. ENGLE, Mr. ERVIN, Mr. FONG, Mr. FULBRIGHT, Mr. GOLDWATER, Mr. GRUENING, Mr. HARTKE, Mr. HICKENLOOPER, Mr. HOLLAND, Mr. HRUSKA, Mr. HUMPHREY, Mr. INOUE, Mr. JACKSON, Mr. JAVITS, Mr. JOHNSTON, Mr. JORDAN of Idaho, Mr. KEATING, Mr. KEFAUVER, Mr. KUCHEL, Mr. LAUSCHE, Mr. MAGNUSON, Mr. MCGER, Mr. MCGOVERN, Mr. MCINTYRE, Mr. MECHEM, Mr. METCALF, Mr. MILLER, Mr. MONRONEY, Mr. MORSE, Mr. MORTON, Mr. MUNDT, Mr. MUSKIE, Mr. NELSON, Mrs. NEUBERGER, Mr. PASTORE, Mr. PEARSON, Mr. PELL, Mr. PROUTY, Mr. PROXMIRE, Mr. RANDOLPH, Mr. RIBICOFF, Mr. ROBERTSON, Mr. SCOTT, Mr. SMATHERS, Mr. SPARKMAN, Mr. STENNIS, Mr. SYMINGTON, Mr. TALMADGE, Mr. THURMOND, Mr. TOWER, Mr. WILLIAMS of Delaware, Mr. YARBOROUGH, Mr. YOUNG of North Dakota, and Mr. YOUNG of Ohio) introduced the following bill; which was read twice and referred to the Committee on Government Operations

A BILL

To amend the Legislative Reorganization Act of 1946 to provide for more effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States.



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 88th CONGRESS, FIRST SESSION

Vol. 109

WASHINGTON, FRIDAY, JANUARY 25, 1963

No. 12

Senate

JOINT COMMITTEE ON THE BUDGET

Mr. McCLELLAN. Mr. President, I ask unanimous consent that I may introduce some bills out of order and discuss them without being charged with a speech on the pending issue.

The PRESIDING OFFICER. Is there objection? The Chair hears none; and it is so ordered.

Mr. McCLELLAN. Mr. President, I introduce, for appropriate reference, a bill, for myself, and cosponsored by 75 other Members of this body.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 537) to amend the Legislative Reorganization Act of 1946 to provide for more effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States, introduced by Mr. McCLELLAN (for himself and Senators ALLOTT, ANDERSON, BARTLETT, BAYH, BEALL, BENNETT, BIBLE, BOGGS, BREWSTER, BURDICK, BYRD of Virginia, CANNON, CARLSON, CASE, COOPER, COTTON, CURTIS, DIRKSEN, DODD, DOMINICK, EASTLAND, ENGLE, ERVIN, FONG, FULBRIGHT, GOLDWATER, GRUENING, HARTKE, HICKENLOOPER, HOLLAND, HRUSKA, HUMPHREY, INOUYE, JACKSON, JAVITS, JOHNSTON, JORDAN of Idaho, KEATING, KEFAUVER, KUCHEL, LAUSCHE, MAGNUSON, McGEE, MCGOVERN, MCINTYRE, MECHEM, METCALF, MILLER, MONRONEY, MORSE, MORTON, MUNDT, MUSKIE, NELSON, NEUBERGER, PASTORE, PEARSON, PELL, PROUTY, PROXMIRE, RANDOLPH, RIBICOFF, ROBERTSON, SCOTT, SMATHERS, SPARKMAN, STENNIS, SYMINGTON, TALMADGE, THURMOND, TOWER, WILLIAMS of Delaware, YARBOROUGH, YOUNG of North Dakota, and YOUNG of Ohio), was received, read twice by its title, and referred to the Committee on Government Operations.

Mr. McCLELLAN. Mr. President, there are 76 sponsors of this measure, more than three-fourths of the Members of the Senate having endorsed it. The cosponsors join with me in its introduction and in asking for its enactment.

The bill would create a Joint Committee on the Budget. This is not something new or strange to this body, nor is it strange to the country. The bill has been introduced before. It has been passed by the Senate of the United States.

The Committee on Government Operations has reported favorably, and the Senate has approved, in the 82d, 83d, 84th, 85th, and 87th Congresses, bills proposing the creation of a Joint Committee on the Budget.

The 76 Senators who now sponsor the bill represent the largest number who have ever cosponsored it. In the 85th Congress, when there were only 96 Members of the Senate, 71 Senators cosponsored the bill.

I submit, Mr. President, that the conditions which prompted the initial introduction of this measure and its initial passage by the Senate of the United States have in no way diminished. Instead, they have increased in intensity. There is greater need for this measure today than there was previously, and that need grows with each budget message we receive from the President of the United States and with each session of the Congress, as the cost of Government increases and as expenditures rise and as the tax burden is felt more keenly by the American people.

The need is greatly increased. We had presented to us only a few days ago a budget message from the President, which was the annual budget message,

in which the President requested that we make appropriations this year in the amount of more than \$98 billion, which is the largest peacetime budget ever submitted in the history of the Congress. It is larger than any total expenditure ever made in any fiscal year by this Government, even in time of war.

I am not at this moment criticizing the amount of the budget, except to emphasize the need for eliminating from the budget, as the need existed to eliminate from previous budgets—and as I am sure the need will continue for elimination from future budgets—of any expenditure for which it may call which is in the category of waste or extravagance or excessive spending; and, also, to go further and to eliminate from any budget any item or items of expense or any amount of expense that we can possibly eliminate or cut from the budget without doing injury to the necessary functioning of the Government.

I think we can all agree with that, if we believe in responsible government; if we believe in sound fiscal policy; if we believe there is any virtue, any merit, any wisdom whatsoever in operating our Government on a balanced budget basis.

Now, there are those who believe in operating the Government at a deficit as a permanent and firm policy of the Government, to spend more continuously in each year than the revenues taken in. Those who believe in that philosophy should not support this bill, whether they are Members of this body or Members of another body. Mr. President, I would say they should violently oppose the bill, because it is contrary to that purpose, and if the bill is enacted and the joint committee functions as it is expected to function, and as I am confident it will, though we may not eliminate all deficit spending we shall substantially reduce the amount of it, I am sure. The prospects will be brighter then for bringing expenditures within the revenues received than the prospects are now or will continue to be if we do not do something about this problem.

To give another illustration, without in any sense attempting to criticize, and without meaning it in any critical sense, to show there is a need for a joint committee on the budget within the Congress, the budget which was presented to us for the fiscal year in which we are now operating—the figures which were submitted to us last year at this time of the session for the present fiscal year—indicated and represented that the expenditures of our Government would be \$92.5 billion. That same budget predicted that revenues the Government would receive would be \$93 billion, and that thus there would be a surplus of \$500 million in the Treasury in June by reason of the fact that revenues would exceed expenditures.

Of course, no one can absolutely know or be accurate as to what the figures will actually be on next June 30, but it is already conceded that, instead of our having a surplus of \$500 million when the 30th of next June rolls around, the prospects are we will have a deficit of at least \$8,800 million.

In other words, the budget makers in the administrative branch of the Government appear to be not very accurate. I am sure they have done the best they can, but again an error of \$9,300 million, or an error of 10 percent in the total expenditures of the Government, clearly indicates the need for further checking, evaluation, examination, and a better "look-see." If one can be made, to give guidance to the Congress with respect to the fiscal affairs of our Government.

If there were no other reason—and there are many others that I shall mention, but if there were no other reason at all—except that of the Congress being confronted from year to year with budget estimates that repeatedly prove to be inaccurate and erroneously and unreliable, that reason alone would be sufficient to warrant the enactment of the bill that 76 Senators have today introduced.

This proposed legislation, which has been developed and perfected by the Committee on Government Operations during the past 12 years, is designed to remedy serious deficiencies in the appropriation procedures and to improve—and it will greatly improve—the surveillance over the expenditure of public funds. It constitutes a positive approach to the elimination of extravagance, waste, and needless or excessive appropriations. The swollen cost of operating the Federal Government, to which I have already referred, with annual budgets now approaching \$100 billion, dictates the compelling necessity of reducing the cost of Government, where it is prudent to do so, in order to restore sound fiscal policies.

Mr. President, when I referred to the budget situation a few moments ago, I did not mention the recent development of the proposed tax cut over the next 2 or 3 years, which would reduce revenues, not increase them, to meet the obligations we are expected to incur and will have to meet, but a tax cut which would reduce revenues by \$13.6 billion, with a recommendation for certain tax revisions, a broadening of the tax base in some areas, which would restore some \$3.4 billion of that cut or of the revenues which would be lost if the tax cut recommendations were to be accepted and adopted by the Congress.

Mr. President, assuming that program is carried out, assuming the Congress enacts, to the extent of every letter, the crossing of every "t," the dotting of every "i," the recommendations pending before us, such action will further increase the gap between the revenues the Government will receive and the expenditures that will be made—again emphasizing the need for the Congress to meet its responsibility to do everything in its power, and to take every action it can possibly take, to bring about more efficient and more intelligent appropriations and expenditures of public revenues.

Mr. President, as a Member of the Senate, I am deeply concerned about the breakdown of legislative procedures in the processing of appropriation bills through the Congress. As we all know,

the fiscal program has been rapidly deteriorating since the annual Federal budgets have reached such astronomical figures, and which approached a critical state, we recall, last year. It is incumbent upon the 88th Congress to take appropriate steps early in the present session to devise a solution to these problems.

I am persuaded that the bill, if enacted into law, and if the joint committee is created, will be conducive to better cooperation and a spirit of working together in harmony between the two powerful Appropriations Committee of Congress. If we can have them working together, each getting the same information, each having access to the tools with which to work, it will enable them to get better information with which to intelligently evaluate many requests. If we can get them to do that—and the bill, in my judgment will move in that direction—we will be going a long way toward removing a situation which today actually reflects to a degree, at least, upon the integrity of the two bodies, the House of Representatives and the Senate.

We are prone, and with justification many times, to criticize agencies of the executive branch of the Government for their inefficiency and lack of diligence in bringing about efficient operations of their responsibility.

Yet one of the most glaring evidences of lack of efficiency actually exists right here in Congress on this issue, in this particular category, when we have the House of Representatives taking a position that it does not need the help or cooperation of the Senate; and vice versa, with the Senate taking the position, "Well, we will hold separate hearings. We will do everything separately." The result is that there is an unnecessary clash.

Congress has wisely created a Joint Committee on Internal Revenue Taxation. That committee has been in operation a number of years. Just think of how much more smoothly and how much more efficiently and how much more cooperatively the two Houses work together in that field. It has been remarkable. They have some disagreements, of course, but they work together in that field harmoniously, cooperatively, with a view to eliminating a great deal of lost motion, with a view to getting some pertinent information and with a view of evaluating it, and with the objective of bringing about harmonious and efficient consideration of tax legislation.

Why should not the same thing be done with respect to expenditures? If the Joint Committee on Internal Revenue Taxation has proven its worth and has been of great benefit in the functioning of the two bodies of Congress—and no one will deny that fact—likewise it has demonstrated the wisdom of creating a comparable joint committee with respect to the budget for the evaluation and supervision of expenditures of the many billions of dollars that we are now asked to appropriate each year.

Although the Legislative Reorganization Act of 1946 made provision for the creation of a joint committee, composed of members of the appropriations and revenue committees, to expedite consideration of appropriation measures, the large membership proved to be far too cumbersome and the joint committee never provided the necessary facilities to carry out the functions it was supposed to perform.

The idea and the general approach to this matter was taken into account and actually given sanction and endorsement by the Legislative Reorganization Act of 1946. At that time we were spending about half or less than half of what we are spending now. However, a mistake was made in that act. The mistake was in making the committee so large. It was to be composed of the membership of the Ways and Means Committee of the House and the Finance Committee of the Senate and of both Appropriations Committees. Although I have not checked, the number of the members would have run more than 100, thereby composing a committee which would be too cumbersome for it to function properly. Therefore, it did not prove successful; in fact, it has never been put into effect.

Since these attempts in the 80th Congress to set up the necessary organizational structure to process appropriation bills in an orderly and expeditious manner and to bring expenditures into proper relationship to revenues proved abortive the problem still remains to be resolved. No final constructive action has been taken since.

This situation still plagues us. However, I believe it should be said to the credit of Congress that during the past 2 fiscal years Congress was able to reduce expenditures; that is, Congress appropriated for the past 2 fiscal years approximately \$8 billion less than the budget requested. Congress is entitled to credit for that fact. I have said publicly that that is not enough, that we still need to find ways in which we can do better. Our proposal today is an approach toward one of the ways in which we can do better.

Appropriations bills introduced in the 87th Congress, providing funds for many of the operating agencies, were not, in some instances, approved by the Congress until approximately 4 months after the beginning of the 1963 fiscal year.

With that sort of efficiency, or rather lack of efficiency, on the part of Congress, that sort of inefficiency in the legislative branch of the Government, when it could, if it would, correct that situation, it hardly behooves us as Members of Congress, particularly those who do nothing about this problem, or who seek to do nothing about it, to criticize the executive branch. In other words, it

seems to me we act with poor grace when we criticize the executive branch of the Government, or agencies in the executive branch of the Government, for inefficiency or wasteful practices and a lack of economy.

I think Congress ought to set its own house in order. I think the time is long overdue for us to do so. Certainly if we were to take this situation in hand, and thus bring about a better working together, cooperation, efficiency, and some economy in the making of appropriations, we would then be in a better position to speak, and we could speak, I think, with a little more influence when we undertook to criticize agencies in the executive branch of the Government, or when we complained about their inefficiency or lack of economy. Yes; we could do so with better grace and with more influence if we would set our own house in order.

Some of the administrative agencies were without funds with which to carry on their normal operations during much of the 4 months last year when Congress delayed making appropriations after the previous fiscal year had expired and the new fiscal year had begun. The fiscal procedures of the last Congress reached such an exasperating state of disorder that I think it is now quite urgent that the present Congress take further and immediate steps to effectively correct its own fiscal procedures. The lack of action for so long a period last year was exasperating and detracted from the stature of Congress.

Such legislative deficiency should not be permitted to continue. It does not reflect credit upon nor will it enhance the stature of either the House or the Senate. The longer it is permitted to continue, the greater will be the adverse effect upon and detriment to the public interest.

(At this point Mr. McCLELLAN yielded to other Senators, whose remarks appear elsewhere under the appropriate headings.)

Mr. McCLELLAN. Mr. President, I assume that I may resume my remarks now under the same unanimous-consent agreement previously entered.

The PRESIDING OFFICER. The Senator is correct.

Mr. McCLELLAN. I have always thought, Mr. President, that the two Appropriations Committees could and should work together more closely and cooperatively, and thus insure expeditious consideration of money bills and demonstrate by example the real meaning of economy and efficiency in Government.

The Committee on Government Operations has been fully aware of the deficiencies in the fiscal procedures of the Congress. For more than 12 years it has proposed remedial action pursuant to the authority vested in it to consider and recommend legislation relating to budget and accounting measures other than appropriations. It has, pursuant to this directive, submitted and recommended action on legislation with the objective of solving some of the fiscal problems with which the Congress is now confronted. During this period, the Senate has taken the lead in evolving a solution to these problems through the approach of constructive and appropriate legislation in a sincere effort to bring that about. The record will affirmatively and conclusively support the position taken repeatedly by the Senate since early in 1950 in attempting to remedy this situation.

If the Senate recommendations for constructive action had been taken, if they had been acquiesced in and acted upon and approved and the legislation recommended had been passed, instead of the 87th Congress being forced into a tug of war—and not a very pleasant one, I may say—over procedures and bogged down in a quagmire of fiscal irresponsibility, the Committees on Appropriations could have worked together harmoniously.

Because we did not have this legislation, discord arose, and we have been drifting further and further apart all the time. Instead of being cooperative, they have been going in divergent directions. The committees have moved further apart rather than closer together. Certainly there is no more compelling duty, in the sense of public responsibility, upon one than there is on the other. The only difference in

their authority and jurisdiction is that under the Constitution appropriation bills must originate in the House of Representatives, according to some interpretations which have been placed on the clause in the Constitution with respect to revenue measures. Without arguing that point and without debating it—and that makes little difference for this purpose—the ultimate goal and the ultimate responsibility of Congress and of the Appropriations Committees should be to appropriate that which is adequate and necessary, and under conditions which prevail today, it means that which is absolutely necessary in my judgment for the proper operation of the functions of the Government.

Any waste, any extravagance, any unnecessary expenditure today, is doing something of which I think we of this generation, we of this Congress, we who now have the responsibility, cannot be proud. Mr. President, do you know what this Government is doing? Do you know what Congress is doing? We are responsible for it. I say that Congress is more responsible than the President. The President can recommend laws and request appropriations. But the Government cannot spend any money unless Congress appropriates it. I say the greater responsibility, possibly, rests upon Congress.

But what are we doing today? We are refusing to pay our bills. We are going into debt. We are refusing to live within our income. It is said that we have some extraordinary expenses. Certainly we have. We have the extraordinary expenses of defense—of a defense adequate to meet the world crisis and the world dangers of our time. But the fact that we have that burden makes it more necessary that we be careful about incurring new obligations and more obligations each year. We are not paying for all of them. What are we doing? We are encumbering the heritage of our children, if they are young children, and of our grandchildren.

What are we saying? We are saying, "Oh, well, let us live it up and pass the expense on to our children and grandchildren." Do you think, Mr. President, that that is meeting the responsibility of our time? Do you think that that conforms to the statement in the President's inaugural address 2 years ago, when he said:

Ask not what your country can do for you: Ask what you can do for your country.

Are we doing that? No. What we are saying today is: We are going to have it if we want it. If we need it, we are going to have it whether we can afford it or not, whether we are willing to pay for it or not.

The fact is that these young boys, these pages, who are seated before me this afternoon, will reap the heritage of a burden which we are placing upon them because we of this generation, of this hour, do not have the fortitude and courage to make the sacrifices which are necessary to operate this Government on a balanced budget and free of a cumulating debt.

It is said that we have a managed currency, a managed debt, a managed deficit. Yes; we can manage a deficit as individuals. A deficit can be managed for a time, for a season. But a time will come, if we persist in it, when the debt will become unmanageable. I am most apprehensive that that is what we are doing to the next generation. We are passing on to them something that is growing, that is becoming less manageable all the time. The amount of the deficit for this year will be almost \$9 billion. What are we creating? We are creating not only the debt itself; the very fact that we will go into debt \$9 billion this year will create a recurring and continuing obligation of \$300 million for interest each year. Are we great statesmen of our time when we manage the Government of the United States in such fashion? Will history so record us?

Mr. President, I am happy to yield to the distinguished Senator from North Carolina for a question, provided I do not lose the floor.

Mr. ERVIN. Mr. President, first I shall ask the Senator from Arkansas a question in lighter vein, before I ask him some serious questions. I should like to lay down a premise.

A few days ago, I read an article by a theoretical economist of modern vintage. He said that if the Government spends more than it receives in revenue, the Government has an actual deficit which is likely to support the economy in that action. But if the Government receives in revenue less than it spends, the Government has passive revenue which indicates a sluggish condition of the economy.

I think it would require a person who can "unscrew the unscrewable" to explain the difference between spending more than one receives and receiving less than one spends. But if there is any Senator who can "unscrew the unscrewable," it is my good friend, the distinguished Senator from Arkansas [Mr. McCLELLAN]. I should like to ask him if he can explain to me the precise difference between spending more than one receives and receiving less than one spends.

Mr. McCLELLAN. I cannot "unscrew the unscrewable." I am reminded by this process of reasoning of an explanation given by the great Huey Long, in his day and in his time, when he told about a patent medicine salesman who came through the countryside. The salesman

had two remedies which would cure anything. What one would not cure, the other would.

One remedy was named High Cockalorum; the other was called Low Cockalorum. There was only one difference between them. Both were brewed from the same bark, and from the same tree. The difference was that to make High Cockalorum, the bark was skinned from the top down. To make Low Cockalorum, the bark was skinned from the bottom up.

So the proposition stated by the Senator from North Carolina makes just about as much sense. That kind of medicine has just about as much virtue in its qualities or difference in its qualities as the remedies brewed from the bark having been peeled from the bottom up or the bark having been peeled from the top down.

Mr. ERVIN. If I may tell a story as a basis for a question, down in North Carolina there was a fellow named George. George said to his friend Bill, "My wife is the most extravagant woman. She always wants 50 cents for this, 50 cents for that, and 50 cents for the other thing."

Bill said, "What does she do with all that money?"

George said, "She don't get it."

Does not the Senator from Arkansas believe that we need somebody like George to have a little authority to handle some of the requests which Congress receives—from one agency of the Federal Government for so many hundreds of millions or billions of dollars, and from another agency for so many hundreds of millions or billions of dollars—so that he can say, "No"?

Mr. McCLELLAN. If we would grant only what is actually needed for the efficient operation of the Government, I do not think anyone would question that more billions of dollars could be saved than we have been saving. At least, we could come nearer to a balancing of the budget. But our trouble is—and this is what the bill seeks to remedy—that we do not have the necessary tools available to us with which to get the adequate information upon which Congress can make a proper evaluation of the needs of the agencies.

That is what this bill will do. It will provide us with the tools with which to obtain that information, so we can determine what is actually needed, and can determine what parts of the request can be dispensed with, and thus can come nearer to operating with economy and efficiency.

Mr. ERVIN. I should like to ask the Senator from Arkansas if it is true that the most important question confronting the country is the question of Government finances. That is true; is it not?

Mr. McCLELLAN. Yes. Just this week, I addressed an audience in South Carolina and pointed out that the greatest task confronting this Congress is, not the task of reducing taxes, but—and it is the first and the greatest task, and is the higher duty of the Congress—the task of reducing expenditures, so that the revenues received either from the

present rate of taxes or from a reduced rate of taxes will narrow the present gap between revenues and expenditures, and thus will result in a smaller deficit. So in my opinion the higher duty of Congress is to do that, rather than merely to reduce taxes.

Mr. ERVIN. Is it not true that Congress has created a joint committee to study the problem of how best to raise revenue, and that the joint committee keeps that matter under constant study, with the aid of an able and experienced staff, so that any Member of either House of Congress who is interested in such matters can call on it for help and information?

Mr. McCLELLAN. That is correct. Earlier in my remarks I made reference to that. By reason of that joint committee, as it is constituted, more harmony has been developed in the relationships between the Ways and Means Committee of the House—the tax committee of the House—and the Senate Finance Committee; and, thus, today those committees are not having the tug of war or the friction—a situation which reflects upon the Congress—which occurred between the Appropriations Committees of the Congress. Instead, these committees are acting effectively.

Mr. ERVIN. This bill, which is cosponsored by some 70 Members of the Senate—

Mr. McCLELLAN. In fact, the bill is sponsored by 76 Senators—more than three-fourths of the Members of this body.

Mr. ERVIN. It is designed to set up a comparable joint committee, which will study budgetary questions—in other words, questions relating to expenditures or the outgo of the Federal funds. If the proposed joint committee is established, there will then be one joint committee to study revenue questions and another joint committee to ascertain the facts in connection with expenditures and proposed expenditures; is that correct?

Mr. McCLELLAN. Yes. We already have one joint committee to help us with questions in regard to the raising of funds in the most efficient, most effective, fairest, and most equitable ways. Now we are asking for the establishment of a comparable joint committee, to help us conserve the revenues after they come into the Treasury and to help us avoid spending those funds uselessly, wastefully, extravagantly, or inefficiently.

Mr. ERVIN. Is not the Senator from Arkansas convinced that such a joint committee would save the Government many times the cost of setting up the committee and compensating its personnel, in the course of each year?

Mr. McCLELLAN. Yes. I may say that I have had a little experience with the operation of committees with investigative authority; and my distinguished friend, the Senator from North Carolina, has had comparable experience. He serves with me on one of these committees, which has at its disposal approximately \$400,000 or \$500,000 a year, for the purpose of investigating certain activities related to the Government. I would say, just roughly, at this time, that

a committee to do this work possibly would begin with a budget of approximately \$300,000 or \$400,000. Its budget might very well run to \$500,000, or even to \$600,000, as the committee got organized and began to function. But I would say there would be a good prospect that the committee would develop information which would guide the Appropriations Committees in such a way that they could avoid making appropriations in many areas, and the result would be a saving of probably anywhere from \$100 to \$500 for every dollar it cost to operate the joint committee; and I think I make an ultraconservative statement when I say that.

Mr. ERVIN. Mr. President, for some time the Senator from Arkansas has been fighting for the establishment of a Joint Committee on the Budget, and on a number of occasions he has piloted the bill successfully through the Senate. I share his opinion that in view of the fact that Congress has been requested to make provisions for a budget of practically \$99 billion, the appointment of such a joint committee has never before been so greatly justified as it is today, because at the present time there is no source to which the Members of Congress can

turn for disinterested information on this subject, in view of the fact that at present our only source is the Appropriations Committee, rather than a committee which has great concern with protecting the interests of the taxpayers.

So I think the Senator from Arkansas deserves our commendation for the untiring fight he has made in favor of the proposal set forth in this bill.

Mr. McCLELLAN. I thank the distinguished Senator from North Carolina, who has wholeheartedly supported this proposal from its inception. Each time, he has joined me in sponsoring the bill. I am sure that by reason of his experience on the permanent Subcommittee on Investigations, of the Senate Committee on Government Operations, where we have worked cooperatively and, I think, effectively, in many respects, he knows and can testify to the merits of this proposal and the very beneficial results which will be achieved by the enactment of this measure into law and by the operations of such a joint committee to provide this service. The Appropriations Committees and the Congress itself need this service, in order to be able to do their duty and to operate properly in this field.

Mr. President, if this proposal had been enacted into law when it was made at prior sessions of Congress, the Appropriations Committees and all the Members of Congress would have been equipped with adequate organization and staff, and with the necessary tools that are essential to the efficient consideration of and for expeditious action on appropriations covering the annual expenditures of the Government. Prompt and efficient action through these mediums would have resulted in very substantial savings and economy in governmental operations.

As far back as the 81st Congress, I introduced a bill, along with many cosponsors, proposing the creation of a Joint Committee on the Budget, to act as a service committee to the two Appropriations Committees. Such a joint committee would have been provided with an adequate staff of trained fiscal experts to serve the Committees on Appropriations and the Members of both the House and Senate. This joint committee and its staff would be, in the appropriation field, comparable to what the Joint Committee on Internal Revenue Taxation and its staff are, in the field of taxation, to the House Committee on Ways and Means and the Senate Committee on Finance. The Joint Committee on Internal Revenue Taxation has, for more than a quarter of a century, proved its great worth and service in the revenue field. A like joint committee and service is sorely needed in the field of Federal expenditures.

As perfected by the Committee on Government Operations, this bill is not the result of consideration in only one session of Congress, but reflects the culmination of more than 13 years of study by that committee. As a result of hearings which have been held in previous Congresses, careful consideration has been given to the views of Members of Congress, the public, and others interested in improving fiscal control over congressional appropriations.

This bill proposes to amend the Legislative Reorganization Act of 1946. The joint committee would be composed of seven members of the House Committee on Appropriations and seven members of the Senate Committee on Appropriations, and would be authorized to elect, from among its members, a chairman and vice chairman, at the first regular meeting of each session. It proposes also that in even-numbered years the chairman would be designated from among members of the House Committee on Appropriations, and the vice chairman from among members of the Senate committee. In odd-numbered years the reverse would be done. The joint committee would be authorized to adopt its own rules, except that provision is made that no measure or recommendation should be reported unless approved by a majority of the committee.

Unfortunately, members of the Appropriations Committees are so heavily burdened by other legislative duties and responsibilities that they are unable personally to give the necessary attention to each budget item. Equally important, however, is the fact that they do not have adequate facilities for obtaining the information necessary to enable them to pass accurate judgment on the necessity for the budget requests. Thus, for the most part, they are forced to rely upon the representations made by the respective initiating agencies of the executive branch, whose representatives appear before these committees, in an ex parte type of proceeding for the sole purpose of justifying their requests for funds. As a result, the Congress is often unable to obtain impartial information and facts to enable it to effect needed economies in the operations of the Government. Because the Congress is not adequately equipped to carry out its fiscal responsibilities, many millions of dollars have been appropriated in excess of the actual requirements of the Federal Government. These excesses have, in turn, added to the large recurring deficits which must be passed on to already overburdened taxpayers.

The ever-increasing cost of operating the Federal Government, with annual budgets now exceeding \$100 billion—an increase of \$56 billion over total budget expenditures for fiscal year 1951, when this committee first recommended this legislation—and continued annual deficits of billions of dollars that pyramid the already astronomical national debt, dictates the compelling necessity of reducing the cost of government, where it is prudent to do so, in order to restore sound fiscal policies.

Important as are the services rendered by the Joint Committee on Internal Revenue Taxation in the revenue field, the proposed Joint Committee on the Budget would be in a position to render far greater service to the Congress in a field that is much broader in nature and scope. Its functions would include analyses and reports on the details of program operations, a review of the actual administration of authorized functions, and the compilation of data on agency activities and program conformity with legislative authority, for the information of the Appropriations Committees and other committees, and to make such data available to individual Members of the Congress. With this information before them, the Appropriations Committees will be in a position to exercise informed judgment in supplying only such funds as are necessary. The importance of providing this type of service for the committees dealing with the appropriation of public funds is emphasized by the scope of the problems involved and the magnitude of Federal appropriations and expenditures.

Failure to provide adequate facilities for the procurement of factual information that is needed and indispensable to enable the Congress and its committees to make sound and judicious determinations with respect to appropriations requested in the budget, has resulted in a demand on the part of the public for remedial action. The Committee on Government Operations in its reports to the Senate has repeatedly stressed the belief that a Joint Committee on the Budget would meet and would satisfy that demand, and that it would provide to the Congress essential services similar to those performed for the President by the Bureau of the Budget.

A complete legislative history of the proposed legislation is included in Senate Document No. 11, 87th Congress, on "Financial Management in the Federal Government," filed in the Senate by the Committee on Government Operations on February 13, 1961.

To Members of the House of Representatives who seek to maintain the co-equal status of the two Houses of Congress, I give assurance that this measure in no way impinges on that basic constitutional concept.

To Members of the House who carry the workload in other areas of legislative interest and must necessarily rely

heavily on the judgment of their colleagues on the Appropriation Committee, I give assurance that this measure will provide a means of obtaining more information by individual Members of Congress. It will permit them to arrive at more informed judgments, and will thus bring about economy in Government, through better control over the expenditure of Federal funds.

To those who decry the increasing burden of legislative office, I give assurance that this measure is designed to lighten that load and, at the same time, improve the appropriation procedures of the Congress.

To Members who are seeking better tools and procedures with which to meet legislative burdens, I give assurance that this measure was conceived for that purpose.

To those who are really concerned with the staggering fiscal responsibilities of the Congress, I give assurance that the creation of a Joint Committee on the Budget would at least be a partial solution toward alleviating that concern.

Finally, I urge to Members of the Senate who have cooperated with me in supporting this proposal in the past six Congresses, to join with me again in this effort to revitalize the legislative fiscal process. I hope they will join with me in again passing a bill to create a Joint Committee on the Budget, and in sounding the call to our colleagues in the House of Representatives to examine the "imaginary horrors" leading to the present impasse. Then we can hope they will join us in our conviction that such fears have no substance, and that they can be struck down by adopting the realistic procedures provided for in the bill to create a Joint Committee on the Budget.

Mr. President, editorials published in the Washington Post of August 24, September 3, and October 12, 1962, have stressed the need for a Joint Committee on the Budget. These editorials are in agreement with the findings of the Committee on Government Operations that the creation of such a joint committee, which would serve both Houses, could better equip all the Members to carry out the job that lies at the heart of the legislative function. Such a joint committee could also lead to other more effective controls over Federal expenditures, and could provide an efficient means of critically judging an Executive budget that gets larger every year.

Mr. President, I ask that the editorials be printed in the Record, as part of my remarks.

There being no objection, the editorials were ordered to be printed in the Record, as follows:

[From the Washington Post, Aug. 24, 1962]

MODERNIZING CONGRESS—V

Sixteen years have passed since the enactment of the La Follette-Monroney Legislative Reorganization Act, and the time has come again for a concerted attempt to pare away the lichen and moss that have gathered on the procedures of Congress. A good example is the appropriations process, which is so cumbersome that Congress is unable to perform efficiently its vital functions as keeper of the purse. Certainly this is a problem that warrants the sharpest scrutiny with an eye to reform.

Five times in the past the Senate has endorsed proposals for joint budgeting procedures, and five times the House has rejected the idea as an affront to its dignity since the Constitution specifies that money bills must originate in the more representative Chamber. As a result, each Chamber goes through the same rituals without benefiting from the advantages that would arise from a sensible pooling of resources.

It is perhaps unrealistic to expect Congress to hold joint appropriations hearings. It would be equally vain to hope for the elimination of the duplication process whereby money is first authorized and then appropriated, requiring administration witnesses to appear at four sets of hearings. The process touches deep springs of tradition, constitutional law and bicameral feeling, and a simplification of the overall procedure must probably remain an ultimate goal rather than an immediate objective.

But surely, even within the limitations of the present system, Congress could deploy its resources more effectively by combining committee staffs. Congress now has a dozen joint committees, including two of major importance: the Joint Committee on Atomic Energy and the Joint Committee on Internal Revenue Taxation. Since the House has been willing to accept the principle of pooling for taxation, is it unreasonable to propose the same treatment for appropriations?

As it stands, the staff of both appropriations committees is inadequate to the task that should be performed on analyzing a budget of appalling complexity. The creation of a joint committee that would serve both Houses could better equip all the Members to carry out the job that lies at the heart of the legislative function. It could also lead to other more efficient ways of critically judging an executive budget that gets larger every year.

[From the Washington Post, Sept. 3, 1962]
LIMPING AGENCIES

Congress has left itself in a very poor position to criticize bureaucratic inefficiency. Its own bumbling in regard to the appropriations bills has imposed a specialized kind of faltering on the Government. Jerry Klutz of this newspaper pointed out in detail the other day the grave handicap that has fallen on many Federal departments and agencies because of the failure of Congress to approve 1963 budgets. Two months have passed since the closing of the old fiscal year, and many agencies are still operating on merely continuing authority—that is the authority to go on spending as they did last year. Obviously this makes no provision for new programs or changes in old ones. The Government is partly crippled for want of appropriations made before the year in which they are to be spent.

The situation is worse this year than previously because of the intertemporal feud between the House and Senate Appropriations Committees. But it is a chronic weakness that Congress has done little to correct. It is time to attack the problem on Capitol Hill where the weakness lies. If there were a Joint Committee on the Budget comparable to the Joint Committee on Internal Revenue Taxation much of the appropriations spadework could be done by expert staff members and the process could be substantially speeded. In any event, Congress ought to be laying plans for a different approach next year. The Nation simply cannot afford to have its executive agencies limping along through one-sixth to one-quarter of the year because of the failure of Congress to give them a meaningful budget.

[From the Washington Post, Oct. 12, 1962]
FEUD ON THE HILL

The country has reason for concern about the House-Senate feud over appropriations

procedures despite the last-minute compromise on the multi-billion dollar farm bill. The fight over the farm bill, which has delayed adjournment and raised the question of whether quorums of Senators and Representatives could be kept in Washington, is merely one phase of a much broader feud between the House and Senate Committees on Appropriations. The struggle is likely to break out in even more flagrant fashion next year unless remedial measures are undertaken.

As leading Senators see it, the issue is whether the House will recognize the Senate as a coordinate branch of Congress so far as appropriations are concerned. As the House sees it, the question is whether the Senate shall be allowed to encroach upon the constitutional right of the House to originate appropriations bills. Doubtless both are partly at fault. The restoration of good working relations will depend upon a willingness on each side to respect the rights of the other, and this is likely to require the laying down of some definite rules to which both will adhere.

We have previously expressed the view that the Senate was unwise in challenging the right of the House to originate appropriations bills. It is true that the special privilege granted to the House by the Constitution runs only to revenue bills, but spending and taxing were authorized in the same bills in the early days, and in any event the tradition that appropriations bills start in the House could not be broken without a grave upset in the relations between the two Houses. In our opinion, the Senate ought to stop talking about equal rights to introduce appropriations bills.

The larger fault, however, seems to lie on the House side. In some instances its spokesmen have arrogantly resisted the right of the Senate to amend appropriations bills once they have been passed by the House. The quarrel over the agricultural bill centered in the House's unwillingness to talk about an item of \$28 million which the Senate had added for farm research projects.

Of course, the House has no obligation to accept Senate amendments, but it does have an obligation to consider them in good faith and to seek agreement through compromise when necessary. It is utterly unreasonable for the House to refuse to discuss Senate amendments, which are germane to the bill, on the ground that they did not originate in the House.

Well, here are two ground rules that could start the ball rolling toward agreement between the two committees. Let the Senate recognize the right of the House to originate money bills and the House recognize the unlimited right of the Senate to pass germane amendments. Another major aid to understanding would be to create a standing joint committee staffed by experts to serve both groups of legislators.

No doubt the first step should be the creation of a special House-Senate subcommittee representing top leadership on both sides to work out a new understanding. Otherwise the next Congress will be in grave danger of bedeviling even worse than that which has afflicted the expiring session.

Mr. McCLELLAN. Mr. President, I request that an editorial which appeared in the New Orleans Times-Picayune on October 22, 1962, also be included in the Record at this point.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

A WAY TO STOP WASTE—SOLON SAYS CONGRESS NEEDS OWN BUDGET UNIT
(By James McCarthney)

WASHINGTON.—Senator JOHN McCLELLAN, Democrat, of Arkansas, the top investigator in Congress, believes he knows how to save many billions of dollars for the Nation's taxpayers.

He believes Congress should have a staff of experts to spend full time studying the Federal budget and making spot checks on budgetary requests by the administration.

The result, McCLELLAN believes, would be to cut billions in "fat" from the budget.

"There have been billions of dollars of waste, extravagance, and unnecessary spending in areas which show no gains or benefits to the Nation," he says.

McCLELLAN has spent much of his time in recent years investigating Government waste and mismanagement as chairman of the Senate's Permanent Investigations Subcommittee, better known as the Rackets Committee.

But he doesn't think the Rackets Committee has the powers or the staff to do a thorough job on matters involving the budget.

He proposes a new Joint Committee on the Budget, representing both the Senate and the House.

It should have "facilities and a technical staff to do the kind of job necessary to prevent and eliminate some of the practices that have led to crimes against the national interest," McCLELLAN says.

The committee and its professional staff would be continually studying the President's budget and the many appropriations bills that come before the Congress, with a view to eliminating waste and duplication and other improper expenditures.

Senator McCLELLAN points out that when administration officials request specific sums of money or numbers of employees for a department, Congress has no way to judge what is really needed.

"When they say they need 25 employees, who is there to say they don't need 25 employees?" he asks.

His special budgetary committee would be staffed with accountants and investigators to help Congress come to judgments of its own.

The Senate has passed bills proposing establishing of a Joint Committee on the Budget several times in recent years, but the project has always been killed in the House.

McCLELLAN currently is attempting to revive interest in the proposal.

Mr. McCLELLAN. Mr. President, I also request that excerpts from an article regarding this proposed legislation, which was printed in the November 1962 issue of the Nation's Business, be inserted in the Record at this point.

There being no objection, the excerpts were ordered to be printed in the Record, as follows:

The prolonged feud in the past session between the Senate and House Appropriations Committees lends added weight to a proposal which would bolster the strength of Congress in its fiscal dealings with the executive branch.

The Senate has passed six times a bill by Senator McCLELLAN which would establish a Joint Senate-House Committee on the Budget. Opposition by members of the House Appropriations Committee, who jealously guard the House's prerogatives in initiating money bills, has prevented consideration by the House.

Such a committee is absolutely imperative with the big government we have now," Senator McCLELLAN says.

"The Congress has for many years labored under a tremendous disadvantage in connection with processing budget requests and making appropriations," he adds.

"Budget requests are usually accompanied by elaborate justifications, based upon extensive agency programs and backed up by a mass of statistical data and testimony of technical experts who have devoted many years in the specialized fields in which they

operate. Their main objective is to continue and frequently to expand existing programs, which they undoubtedly feel are in the public interest, also, to secure appropriations for new agencies, programs, and functions.

"Testimony from the public, except from witnesses appearing in behalf of public works projects, is rarely received. In a vast majority of instances, the only manner in which the public interest can be considered and protected, with respect to the purpose for which the funds are sought, their need and adequacy, is through careful scrutiny of requests and justifications by members of the Appropriations Committees. It is impossible for their relatively small staffs to examine and evaluate the annual budget with its thousands of items, running to approximately 1,200 pages of telephone book size each year, within the very limited time available."

One of the important features of the proposed Joint Committee would be the establishment of a permanent, full-time, non-political staff of experts which would help balance the huge crops of experts in the Bureau of the Budget and the executive departments.

At present Congress handles its appropriations in piecemeal fashion, with little knowledge of how the total will add up or what will be the long-range financial impact of Federal programs.

The proposed Joint Committee would investigate all aspects of the Federal budget. The information which it developed would be helpful to the Appropriations Committees and other committees in eliminating wasteful practices, recommending cutbacks in programs where possible, and developing a carefully considered fiscal program aimed at holding expenditures to a minimum in relation to anticipated revenues.

Senator McCLELLAN terms it "a positive approach to the elimination of extravagance, waste, and needless or excessive appropriations."

Mr. McCLELLAN. Mr. President, I conclude by expressing the hope that the other body will immediately give consideration to a similar bill, if one is introduced there; and I anticipate that that will occur.

I am hopeful that wisdom and prudence will prevail, that such influence will dominate the decision of this body and also the other body of the Congress as it considers the proposal, and that when it does prevail, the bill will be enacted into law. In my judgment, it is a great step in the direction of bringing about some restoration of sanity in the fiscal affairs of our Government. Every citizen of our country knows that some reformation in the field is needed. It is needed now, and that need is growing with every passing hour and with every budget message that comes to this body. It cannot be delayed much longer if we are going to bring under control and proper management the spending of the taxpayers' money of our country.

LEGISLATIVE COUNSEL
FEB 6 9 50 AM '63